

## Exhibit 1

For all loans entering default between the following periods, due diligence steps listed below are required:

Due Diligence Responsibility	08/14/1979 to 01/19/1981	01/20/1981 to 12/31/1985	01/01/1986 to 02/02/1988	02/03/1988 to 06/21/1992	06/22/1992 to Present
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1. Copy of letter attempting contact with borrower 90 days into grace period.

x

x

x

x

x

2. Copy of letter attempting contact with borrower 150 days into grace period.

x

x

x

3. Copy of letter attempting contact with borrower 180 days into grace period.

x

x

x

4. Copy of letter attempting contact with borrower 30 days before first payment due date.

x

x

x

x

x

NOTE: All overdue notices must be transmitted regardless of the validity of the addresses known to the school. The due diligence procedures in Items 6-12 must be instituted even in the event that there is indication that previous correspondence to the borrower **has not** been received. Conversely, it also remains a due diligence requirement that skip tracing be performed even in the event that there is indication that previous correspondence **has** been received. ED encourages institutions to utilize IRS/ED skip-trace services.

5. Copy of first overdue notice 15 days after due date of first missed pay-

x

x

x

x

x

ment.

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6. If unable to locate, commercial skip-trace or institutional equivalent -- <u>provide letter of results.</u>	x	x	x	x	x
7. <u>Copy</u> of second overdue notice 45 days after due date of first missed payment.	x	x	x	x	x
8. <u>Copy</u> of final demand notice 45 days after due date of first missed payment.	x	x	x	x	x
9. <u>Copy</u> of warning of acceleration 30 days before actual acceleration (except in cases where loan has matured).				x	x
10. Report default status to <u>regional or national</u> credit bureau-- <u>copy of reporting letter.</u>				x	
11. Report default status to national credit bureau -- <u>copy of reporting letter.</u>					x
12. Refer account to collection firm or school/state collection activities -- <u>show firm name or school collections".</u>	x	x	x	x	x

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13. Refer account to separate collection firm after one year (if litigation not successful) -- <u>show firm name.</u>	x	x	x	x	x
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14. Litigation -- <u>provide reason if unsuccessful.</u>	x	x	x	x	x
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